

Message Text

UNCLASSIFIED

PAGE 01 STATE 131012
ORIGIN EB-08

INFO OCT-01 ISO-00 SIG-03 MMO-04 AF-10 ARA-14 EA-12
EUR-12 NEA-11 CAB-05 CIAE-00 COME-00 DODE-00
DOTE-00 INR-10 NSAE-00 FAA-00 L-03 PA-02 IO-14
/109 R

DRAFTED BY EB/TRA:JRATWOOD:BD
APPROVED BY EB/TRA:JRATWOOD
-----092762 240605Z /14
R 232037Z MAY 78
FM SECSTATE WASHDC
TO ALL DIPLOMATIC POSTS

UNCLAS STATE 131012

E.O. 11652: N/A

TAGS: EAIR, XX

SUBJECT: CIVAIR: USCAB PRESS RELEASE RE IATA RATE-
SETTING MECHANISM

REF: STATE 128935

1. TEXT OF THE CAB RELEASE REFTEL IS AS FOLLOWS:

-- "CAB BEGINS REASSESSMENT OF IATA TRAFFIC CONFERENCES.
THE CIVIL AERONAUTICS BOARD TODAY TOOK THE INITIAL STEP TO
RECONSIDER ITS PREVIOUS APPROVAL OF THE IATA TRAFFIC
CONFERENCE RESOLUTION AND RELATED RESOLUTIONS THAT SET
PRICES FOR SCHEDULED INTERNATIONAL AIR TRANSPORTATION.
THE INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA), AN
ASSOCIATION WHOSE MEMBERS INCLUDE MOST OF THE WORLD'S
SCHEDULED AIRLINES, HOLDS TRAFFIC CONFERENCE MEETINGS
SEVERAL TIMES EACH YEAR TO SCHEDULE INTERNATIONAL AIRLINE
FARES IN VARIOUS REGIONS OF THE WORLD. THE BOARD FIRST
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 131012

APPROVED THE BASIC SYSTEM OF RATEMAKING BY AGREEMENT AMONG
IATA MEMBERS IN 1946, AND LAST REVIEWED IT IN 1955.

-- "THE BOARD, IN ACCORDANCE WITH THE PRESIDENT'S POLICIES,
HAS ACTIVELY PROMOTED INTENSIFIED COMPETITION IN BOTH
DOMESTIC AND INTERNATIONAL AVIATION. IN RECENT MONTHS,

COMPETITION HAS IN FACT PRODUCED NEW LOW FARES OUTSIDE THE IATA SYSTEM. IN THIS CONTEXT, THE BOARD IS UNDERTAKING A COMPREHENSIVE RE-EXAMINATION OF COOPERATIVE ARRANGEMENTS TO DETERMINE WHETHER THEY RESTRAIN COMPETITION AND HARM CONSUMERS. UNDER U.S. LAW, THE BOARD CAN APPROVE OR DISAPPROVE AGREEMENTS BETWEEN AIRLINES WHICH MIGHT BE ANTICOMPETITIVE. THE IATA TRAFFIC CONFERENCE MECHANISM WILL BE THE FIRST SUCH AGREEMENT TO BE REEXAMINED.

-- "IN UNDERTAKING THIS EFFORT, THE BOARD STRESSED THAT THE IATA MECHANISM MAY MAKE IT EASIER TO GET RATES ACCEPTED, AND PROVIDE SUCH BENEFITS TO THE TRAVELING PUBLIC AS INTERLINE TICKETING AND BAGGAGE ARRANGEMENTS. THE BOARD WISHES TO EXPLORE WHETHER A LESS ANTICOMPETITIVE MECHANISM CAN BE DEVELOPED THAT WOULD PRESERVE THE ADVANTAGES WHILE ELIMINATING THE DRAWBACKS OF THE PRESENT SYSTEM.

-- "WHILE IT IS FAR FROM A FINAL DECISION, THE BOARD WILL ISSUE A 'SHOW CAUSE ORDER' ASKING THE INTERESTED PARTIES AND THE PUBLIC TO JUSTIFY ITS CONTINUED APPROVAL OF THE IATA AGREEMENTS ON PRICES. A SHOW CAUSE ORDER STARTS THE REVIEW PROCESS BY INVITING COMMENT. IN VIEW OF THE IMPORTANCE OF THE ISSUE, THE CAB WILL ALLOW AN UNUSUALLY LONG COMMENT PERIOD.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 131012

-- "THIS APPROVAL BY THE BOARD OF THE ORDER TO SHOW CAUSE WAS TAKEN WITH ONLY FOUR MEMBERS PRESENT. MEMBER RICHARD J. O'MELIA WAS NOT PRESENT AT THE MEETING AND DID NOT VOTE ON THE ACTION TAKEN." CHRISTOPHER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS RELEASES, AIR FARES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE131012
Document Source: CORE
Document Unique ID: 00
Drafter: JRATWOOD:BD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780218-0515
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780527/aaaaaxay.tel
Line Count: 99
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: be7e4698-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 128935
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2598918
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: USCAB PRESS RELEASE RE IATA RATE- SETTING MECHANISM
TAGS: EAIR, SOPN, US, XX, CAB, IATA
To: ALL POSTS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/be7e4698-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014